

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the matter of	)	
	)	
Federal-State Joint Conference	)	WC Docket No. 02-269
On Accounting Issues	)	
	)	
2000 Biennial Regulatory Review—	)	CC Docket No. 00-199
Comprehensive Review of the	)	
Accounting Requirements and	)	
ARMIS Reporting Requirements for	)	
Incumbent Local Exchange Carriers:	)	
Phase 2	)	
	)	
Jurisdictional Separations Reform and	)	CC Docket No. 80-286
Referral to the Federal-State Joint Board	)	
	)	
Local Competition and Broadband Reporting	)	CC Docket No. <u>99-301</u>

**ORDER**

**Adopted: June 20, 2003**

**Released: June 24, 2003**

By the Commission:

1. In this order, we extend from July 1, 2003 to January 1, 2004 the current suspension of the implementation of four accounting and reporting requirement rule modifications previously adopted by the Commission. As detailed below, the purpose of this extension is to avoid undue burdens on the affected carriers, the Commission, the state regulatory commissions and the public generally were there to be no extension at this time. Further, the brief extension will allow the Federal-State Joint Conference on Accounting Issues (Joint Conference) more time to formulate its recommendations to the Commission.<sup>1</sup>

2. On November 12, 2002, the Commission released an Order that suspended the implementation of the following four accounting and reporting requirement rule changes until July 1, 2003: (1) the consolidation of Accounts 6621 through 6623 into Account 6620, with subaccounts for wholesale and retail; (2) the consolidation of Account 5230, Directory revenue, into Account 5200 Miscellaneous revenue; (3) the consolidation of the depreciation and amortization expense accounts (Accounts 6561 through 6565) into Account 6562, Depreciation and amortization expenses; (4) the revised "Loop Sheath Kilometers" data collection in Table II of ARMIS Report 43-07.<sup>2</sup> The Commission adopted these accounting rules and reporting requirements as part of the Commission's biennial review of accounting requirements and Automated Reporting Management Information System (ARMIS)

<sup>1</sup> *Federal-State Joint Conference on Accounting Issues*, Order, 17 FCC Rcd 17025 (2002) (*Convening Order*); *Federal-State Joint Conference on Accounting Issues*, Order, WC Docket No. 02-269, FCC 02-291 (October 17, 2002) (Order establishing membership of Joint Conference).

<sup>2</sup> *Federal-State Joint Conference on Accounting Issues*, Order, 17 FCC Rcd 23243 (2002) (*Suspension Order*).

reporting.<sup>3</sup>

3. The Commission suspended implementation of these four accounting and reporting requirement rule changes in order to allow the recently-established Joint Conference to review these rules and requirements before carriers were required to implement them. In a public notice released December 12, 2002, the Joint Conference sought public comment on several accounting and reporting requirement issues, including those accounting and reporting requirements whose implementation was suspended by the Commission on November 12, 2002.<sup>4</sup>

4. We believe that further consideration of these accounting and reporting changes is reasonable and will allow the Joint Conference more time to better formulate its recommendations to the Commission. We therefore defer the implementation of the four accounting and reporting rule changes described above from July 1, 2003 to January 1, 2004 to allow further consideration by the Joint Conference. We believe good cause exists for ordering this short deferral without first requesting notice and comment.<sup>5</sup> Were this deferral not ordered the affected carriers would be required to implement the rule changes in mid-year, resulting in the preparation of two sets of books and reports for the year. This would contradict the Commission's longstanding policy of avoiding double book-keeping and reporting burdens that mid-year changes in accounting and reporting rules impose by requiring carriers to implement accounting and reporting changes only at the beginning of a fiscal year.<sup>6</sup> Requiring only the one set of books and reports also eases the burden on the Commission in its evaluation of the information. Moreover, state regulatory commissions, which also review the accounts and reports for their own regulatory purposes, and the public generally, benefit from the streamlined review that is made possible by one set of books and reports for a particular year. Finally, we believe that the foregoing reasons also provide good cause for allowing this deferral to become effective before July 1, 2003 and on less than 30-days publication in the Federal Register.<sup>7</sup> Absent this early effectiveness, all of the burdens described above would result.

5. Accordingly, IT IS ORDERED, that, pursuant to sections 1, 4(i), 4(j), 5(c), 201, 202 and 220 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 154(j), 155(c), 201, 202, and 220, section 1.3 of the Commission's rules, 47 C.F.R. § 1.3, sections 553(b) and 553(d)(3) of the

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<sup>3</sup> 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2; Amendments to the Uniform System of Accounts for Interconnection; Jurisdictional Separations Reform and Referral to the Federal-State Joint Board; and Local Competition and Broadband Reporting, CC Docket Nos. 00-199, 97-212, 80-286, and 99-301, Report and Order and Further Notice of Proposed Rulemaking, 16 FCC Rcd 19911 (2001) (*Phase 2 Report and Order*), on recon., 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers, CC Docket No. 00-199, Order on Reconsideration, 17 FCC Rcd 4766 (2002) (*Phase 2 Reconsideration Order*).

<sup>4</sup> Federal-State Joint Conference on Accounting Issues, Public Notice, 17 FCC Rcd 24902 (2002) (*Request for Comment*).

<sup>5</sup> The Administrative Procedure Act provides that notice and comment is not necessary where “good cause” exists. 5 U.S.C. § 553(b).

<sup>6</sup> See *Phase II Reconsideration Order*, 17 FCC Rcd at 4768-69.

<sup>7</sup> The Administrative Procedure Act provides that a rule change may become effective before the usual 30-days pre-publication in the Federal Register where “good cause” exists. 5 U.S.C. § 553(d)(3).

Administrative Procedure Act, 5 U.S.C. § 553(b), 553(d)(3), implementation of certain rule modifications described in paragraph 2, above IS SUSPENDED from July 1, 2003 until January 1, 2004.<sup>8</sup>

FEDERAL COMMUNICATIONS COMMISSION .



Marlene H. Dortch  
Secretary

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<sup>8</sup> We realize that the Joint Conference may need additional time beyond the six months extension granted herein to complete its work on these matters. Accordingly, we recognize that there may be a need for a further extension of the suspension in the future.